

Message Text

CONFIDENTIAL

PAGE 01 KUALA 02447 01 OF 04 060808Z

12-S
ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 OMB-01 AID-05 EB-07 CU-02 /082 W
----- 034101

R 060600Z MAY 75
FM AMEMBASSY KUALA LUMPUR
TO SECSTATE WASHDC 9780
INFO AMEMBASSY BANGKOK
AMEMBASSY CANBERRA
CINCPAC
AMCONSUL HONG KONG
AMEMBASSY JAKARTA
AMEMBASSY LONDON
AMEMBASSY MANILA
USLO PEKING
AMEMBASSY RANGOON
AMEMBASSY SEOUL
AMEMBASSY SINGAPORE
AMEMBASSY TOKYO
AMEMBASSY VIENTIANE
AMEMBASSY WELLINGTON

C O N F I D E N T I A L SECTION 1 OF 4 KUALA LUMPUR 2447

CINCPAC FOR POLAD

E.O. 11652: GDS - DECLASSIFY JANUARY 1, 1977
TAGS: PFOR
SUBJ: U.S. POLICY TOWARD SOUTHEAST ASIA: HOW WE STAND
AND HOW WE SHOULD GO

1. AMERICAN CREDIBILITY AND DEPENDABILITY ARE NOT
REALLY AT STAKE. THE LEADERS IN SOUTHEAST ASIA ARE TOUGH,
PRAGMATIC, CYNICAL MEN WHO HAVE COME TO POWER PUTTING COMPLETE
TRUST IN NO ONE. THEY LOOK BEHIND EVERYONE'S WORDS AND
ASK "CAN HE DELIVER? -- IS IT IN HIS INTEREST TO DELIVER?"
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUALA 02447 01 OF 04 060808Z

THEY GIVE LITTLE WEIGHT TO OUR ASSURANCE OF TRUSTWORTHINESS

AND FIRMNESS OF PURPOSE. THESE STATEMENTS, IF ANYTHING, CAUSE DISQUIET, BECAUSE IN THIS PART OF THE WORLD YOU OFFER SUCH ASSURANCE WHEN YOU ARE ABOUT TO DO SOMETHING UNEXPECTED.

2. THESE LEADERS NEED NO REPEATED PLEDGES OF CONSTANCY TO MAINTAIN THEIR MORALE OR WILL TO RULE. THEY WILL CLING TO POWER LIKE LIMPETS. TRUST IN US IS NOT CAUSING THEM TO REFRAIN FROM ANY ACTION THEY MIGHT OTHERWISE TAKE TO PROTECT THEIR NATIONAL INTERESTS. THEY FOLLOW INSTINCTIVELY A WORST-CASE STRATEGY. SOME OF THE AGGRIEVED CHARGES OF BETRAYAL WE NOW HEAR ARE NOTHING MORE THAN AN EFFORT TO INTENSIFY OUR FEELINGS OF GUILT IN THE HOPE OF PRODUCING AN ATONING FLOW OF MILITARY OR ECONOMIC ASSISTANCE.

3. THESE REGIMES HAVE A COLD-EYED JUDGMENT OF WHAT WE CAN DO AND WHERE THEY FIT INTO OUR PRIORITIES. THEY KNOW WE ARE A BIG POWER, THAT WE HAVE GLOBAL OBJECTIVES, AND THAT IN A CONFLICT WITH THESE OBJECTIVES THEIR INTERESTS WILL TAKE SECOND PLACE. THEY EXPECT OF US WHAT THEY WOULD DO IF THEY WERE IN OUR SHOES.

4. FROM NONE OF THE LEADERS OF THE PROSPECTIVE DOMINOES HAS THERE COME A SINGLE PUBLIC STATEMENT OF SUPPORT FOR OUR EFFORTS OVER THE PAST YEAR TO SUSTAIN THE GOVERNMENTS OF CAMBODIA AND VIETNAM. THEY HAVE FOR SOME TIME REACHED THEIR OWN CONCLUSIONS ON THE OUTCOME IN INDOCHINA AND MOVED TO PUT AS MUCH DISTANCE AS POSSIBLE FROM THE FAILURE THEY SAW COMING. THEY HAVE NO RIGHT TO CHIDE US ON OUR PERFORMANCE.

5. FOR THOSE IN SOUTHEAST ASIA WHO HAVE PUT THEIR TRUST IN US AND ARE NOW DISILLUSIONED, THE EXPERIENCE MAY BE SALUTARY. OUR PROBLEM IS NOT CREDIBILITY, BUT PROMISING MORE THAN WE COULD DELIVER. WE ARE LIKE AN OVER-PROTECTIVE FATHER WHO TELLS HIS CHILD THAT ITS PUPPY WILL NOT DIE. DESPITE THE PARENT'S BEST EFFORTS, THE PUPPY DOES DIE. THE FATHER LOSES SOME CREDIBILITY, BUT THE CHILD LEARNS TO HIS BENEFIT THAT THERE ARE SOME THINGS THAT DADDY CANNOT DO.

6. SHOULD WE DEMAND OF OURSELVES MORE THAN WE EXPECT FROM
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KUALA 02447 01 OF 04 060808Z

OTHERS? IS RAZAK CREDIBLE? IS MALIK DEPENDABLE? IS MARCOS EITHER CREDIBLE OR DEPENDABLE? THE QUESTIONS ARE IRRELEVANT. WE DON'T TAKE THEM ON FAITH OR TRUST ALONE, BUT ON OUR JUDGMENT OF THEIR PAST ACTIONS AND THEIR PRESENT RANGE OF OPTIONS. THEY TREAT US THE SAME WAY.

7. IT ISN'T OUR CREDIBILITY, BUT OUR PREDICTABILITY THAT IS IMPORTANT. OUR FOREIGN POLICY DECISIONS ARE PART OF A

CONSTANTLY EVOLVING CONSENSUS TAKING PLACE IN THE GOLD FISH BOWL CUM ECHO CHAMBER OF OUR DEMOCRATIC SYSTEM. EVERYONE IS FREE TO WATCH AND LISTEN, AND NONE ATTEND MORE CLOSELY THAN OUR ASIAN CLIENTS AND SEMI-CLIENTS. THEY KNOW US BETTER THAN WE KNOW OURSELVES. THEY TRUST WHAT THEY SEE AND HEAR, NOT WHAT WE SAY, AND THEY MAKE THEIR OWN JUDGMENTS.

8. WE STATE OVER AND OVER AGAIN WHAT WE WILL HONOR OUR COMMITMENTS AND SEE THEM AS THE EARNEST OF OUR CREDIBILITY AND DEPENDABILITY. BUT WHAT ARE THESE COMMITMENTS? IN THIS PART OF THE WORLD THEY ARE UNDERTAKING TO CONSULT WITH OUR FRIENDS AND IN CERTAIN CIRCUMSTANCES TO COME TO THEIR DEFENSE IN ACCORDANCE WITH OUR CONSTITUTIONAL PROCESSES.

9. IN SOUTHEAST ASIAN EYES, THE "CONSTITUTIONAL PROCESS" CLAUSE VIRTUALLY NULLIFIES THE COMMITMENT, FOR THIS PROCESS REQUIRES CONGRESSIONAL ACTION AND CONGRESS CAN REFUSE TO ACT. ALMOST FROM THE SIGNING OF THESE DEFENSE AGREEMENTS, THE ASIAN LEADERS HAVE TRIED TO PERSUADE US TO GIVE THEM A NATO-STYLE AUTOMATIC GUARANTEE. OUR SQUIRMING AND CONTORTIONS TO DEVISE FIRMER SOUNDING LANGUAGE THAT AT THE SAME TIME WITHHOLDS THE ESSENCE OF THEIR REQUEST HAS FURTHER CONFIRMED IN THEIR MINDS THE CONDITIONALITY OF THESE AGREEMENTS. YET WE TALK ABOUT THEM AS IF THEY WERE ABSOLUTE, UNQUALIFIED, UNCONDITIONAL, PERMANENT UNDERTAKINGS ON WHICH OUR HONOR AS A NATION DEPENDS.

10. A DEMOCRACY CANNOT MAKE SUCH PROMISES. THERE MUST BE IN THE MINDS OF THE AMERICAN PEOPLE A LIVING, CONSTANTLY RENEWING SENSE OF SHARED VALUES, INTERESTS, AND OBJECTIVES TO GIVE SUBSTANCE TO AN UNDERTAKING TO GO TO WAR IN ANOTHER NATION'S DEFENSE. THIS CONSENSUS MUST BE EXPRESSED THROUGH THE PEOPLE'S REPRESENTATIVES SITTING IN CONGRESS. A REGIME THAT DISSIPATES THIS FEELING OF SYMPATHY AND COMMON INTEREST
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 KUALA 02447 01 OF 04 060808Z

CANNOT EXPECT, AND SHOULD NOT BE LED TO EXPECT, AMERICANS TO FIGHT FOR IT.

11. OUR COMMITMENTS CANNOT TRANSCEND THE REASONS WHY THEY WERE UNDERTAKEN IN THE FIRST PLACE. IN THE EARLY 1950'S WE WERE URGING MUTUAL DEFENSE AGREEMENTS ON ANY SOUTHEAST ASIAN NATION THAT WOULD ACCEPT THEM. THEY WERE INSTRUMENTS FOR POLITICAL ALIGNMENT, WITH MILITARY ASSISTANCE AS THE SWEETENER. IT IS ONLY AN ACCIDENT OF HISTORY THAT WE DO NOT HAVE SUCH TREATIES WITH BURMA, INDONESIA, AND MALAYSIA. SHOULD WE BE BOUND INDEFINITELY BY THE PRIORITIES AND THE STRATEGY OF A QUARTER OF A CENTURY AGO?

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 KUALA 02447 02 OF 04 060812Z

12

ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 OMB-01 AID-05 EB-07 CU-02 /082 W

----- 034133

R 060600Z MAY 75

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 9781

INFO AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

CINCPAC

AMCONSUL HONG KONG

AMEMBASSY JAKARTA

AMEMBASSY LONDON

AMEMBASSY MANILA

USLO PEKING

AMEMBASSY RANGOON

AMEMBASSY SEOUL

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

AMEMBASSY VIENTIANE

AMEMBASSY WELLINGTON

C O N F I D E N T I A L SECTION 2 OF 4 KUALA LUMPUR 2447

12. OUR ALLIES IN SOUTHEAST ASIA SHOW NO SENSE OF COMMITMENT TO US COMPARABLE TO THE ONE WE PROCLAIM TOWARD THEM. THE WORDS ALLY AND ALLIANCE ARE HEARD IN AFTER-DINNER TOASTS AND AT MAP BUDGET TIME EACH YEAR, BUT IN GENERAL WE GO OUR SEPARATE WAYS, AND MAKE FOREIGN AND DOMESTIC POLICY DECISIONS ON OUR INDIVIDUAL PERCEPTIONS OF OUR NATIONAL INTEREST. WE ARE CERTAINLY, FOR EXAMPLE, NOT ALLIES IN THE SUPPRESSION OF CHRISTIAN DISSIDENCE IN KOREA OR MUSLIM DISSIDENCE IN THE PHILIPPINES, AND THEY HAVE SHOWN, AND ARE SHOWING, THAT THEY ARE NOT OUR ALLIES IN MATTERS OF CONCERN TO US.

13. IT IS NOTABLE THAT NO ASIAN NATION HAS GIVEN ANY
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUALA 02447 02 OF 04 060812Z

OF ITS NEIGHBORS AN UNQUALIFIED DEFENSE COMMITMENT. THE SOUTHEAST ASIAN DOESN'T LIKE TO BE COMMITTED TO A DINNER INVITATION TWO WEEKS IN ADVANCE. IT IS UNTHINKABLE FOR HIM TO MAKE AN UNQUALIFIED PROMISE FOR ACTION IN THE INDEFINITE FUTURE. THEIR TREATIES TALK IN THE MOST GENERAL AND AMBIGUOUS TERMS ABOUT FUTURE ACTIONS. THEY SET FORTH HOPES AND ASPIRATIONS, NOT COMMITMENTS. IT IS UNDERSTOOD BY ALL THAT APART FROM COMMERCIAL CONTRACTS, WHICH ARE IN A SENSE SELF-ENFORCING, ALL FUTURE ACTIONS WILL BE TAKEN IN TERMS OF CONDITIONS PREVAILING AT THE TIME.

14. WE SHOULD NOT ALLOW OURSELVES TO BECOME THE PRISONERS OF OUR RHETORIC ABOUT CREDIBILITY, COMMITMENTS, AND ALLIANCES. OUR FRIENDS IN SOUTHEAST ASIA ARE MORE RESILIENT, MORE REALISTIC, MORE FORESIGHTED, MORE ADAPTABLE THAN WE REALIZE. THEY ARE IN THE MIDST OF A RE-EVALUATION OF THEIR POLICY TOWARD US. WE SHOULD BE NO LESS REALISTIC AND HARD-HEADED IN REASSESSMENT OF OUR POLICY TOWARDS THEM.

15. WE SHOULD CONSIDER THE FOLLOWING QUESTIONS.

- IS THE SECURITY AND STABILITY THAT WE HAVE SOUGHT TRADITIONALLY IN THIS PART OF THE WORLD ATTAINABLE WITH ANY REASONABLE EXPENDITURE OF AMERICAN RESOURCES, IF AT ALL?

- DOES THE POLITICAL STRUCTURE AND IDEOLOGICAL COMPLEXION OF THE COUNTRIES OF SOUTHEAST ASIA MAKE A VITAL DIFFERENCE TO US ANY MORE?

- WHERE DOES SOUTHEAST ASIA STAND IN OUR ORDER OF GLOBAL PRIORITIES? ARE ANY TRULY CENTRAL ASPECTS OF OUR NATIONAL INTEREST AT STAKE HERE?

16. IN SEEKING ANSWERS TO THESE QUESTIONS, THE FOLLOWING FACTORS HAVE A BEARING:

- SOUTHEAST ASIA IS NOT THREATENED BY CONVENTIONAL, BIG POWER AGGRESSION IN THE 1941 PATTERN. AN ATTACK BY EITHER CHINA OR THE SOVIET UNION IS SO UNLIKELY THAT IT CAN BE VIRTUALLY RULED OUT. THE MILITARY THREAT IS FROM
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KUALA 02447 02 OF 04 060812Z

SUBVERSION AND ARMED INSURRECTION.

- THE PRC AND THE USSR MAY GIVE MORAL IF NOT MATERIAL SUPPORT TO THE INSURGENCIES THEY REGARD AS MOVEMENTS

FOR "NATIONAL LIBERATION," BUT THIS THREAT IS INHERENT IN THE POLITICS OF THE AREA AND WOULD EXIST IF KARL MARX HAD NEVER LIVED.

- THE REGIMES OF SOUTHEAST ASIA, IF THEY BECOME RIGID, OPPRESSIVE, CORRUPT, UNRESPONSIVE AND INEFFICIENT, IF THEY ALLOW THEIR GOVERNMENTS TO REST ON ONE MAN, MUST CHANGE EVENTUALLY BY VIOLENCE IN SOME FORM -- ASSASSINATION, COUP, OR INSURRECTION. THERE ARE NO MECHANISMS FOR THE PEACEFUL TRANSFER OF POWER. FORCE IS THE ONLY WAY THAT A GROUP OR A MAN HOLDING POWER CAN BE PERSUADED TO GIVE IT UP.

- THE ONE PARTY REGIMES, OFTEN MILITARY DOMINATED, WHICH PROVIDE THE DISCIPLINE, DIRECTION, CONTINUITY, AND ADMINISTRATIVE SKILL TO BRING A COUNTRY TO ECONOMIC TAKEOFF, LACK THE FLEXIBILITY TO RESPOND TO THE DEMAND FOR GREATER INDIVIDUAL FREEDOM THAT IS GENERATED BY ECONOMIC GROWTH. THE REGIMES ALSO LACK THE SELF-CORRECTING DEMOCRATIC MECHANISMS TO DEAL WITH THE INEQUALITIES, THE INCOME DISPARITIES, AND THE CORRUPTION THAT COME FROM ECONOMIC DEVELOPMENT. OUT OF THESE CONTRADICTIONS COME THE SEED OF REVOLT AND VIOLENT CHANGE.

- THE PATTERN IS FOR LONG-LIVED, "STABLE" REGIMES THAT CHANGE WITH UNEXPECTED AND OFTEN CATAclysmic SUDDENNESS.

- AUTHORITARIANISM IS THE POLITICAL NORM IN SOUTHEAST ASIA. CONSIDERING THE PROBLEMS OF FOOD, POPULATION, HEALTH, AND CIVIL CONTROL FACING THE AREA, CAN WE BE SURE THAT THIS IS WRONG? FOR THE PEASANT FARMER WHO REPRESENTS THE VAST MAJORITY OF THE PEOPLE IN THE REGION, IT MAKES LITTLE DIFFERENCE WHETHER THE AUTHORITY COMES FROM THE RIGHT OR THE LEFT. THE LEFT MAY BE HARSHER, BUT IT APPEARS TO BE ALSO LESS CAPRICIOUS, CORRUPT, AND INEFFICIENT. (WOULD YOU RATHER RETURN TO THE EARTH AS A CHINESE OR AN INDIAN PEASANT?)
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 KUALA 02447 02 OF 04 060812Z

- SOUTHEAST ASIA IS STILL A NET DEFICIT AREA. IT REQUIRES MORE RESOURCES THAN IT PRODUCES. WHATEVER THEIR INTERNAL POLITICS AND IDEOLOGY, WHETHER COMMUNIST OR NON-COMMUNIST, THE COUNTRIES OF SOUTHEAST ASIA MUCH LOOK ELSEWHERE THAN THE COMMUNIST SUPER-POWERS FOR MARKETS FOR THEIR PRODUCTS AND THE TECHNOLOGY AND RESOURCES TO DEAL WITH THEIR PROBLEMS. HOWEVER HOSTILE THEY MAY BE AT THE OUTSET, SOONER OR LATER THEY MUST DEAL WITH US, AND LIKE THE PRC TODAY, WE CAN DEAL WITH THEM TO OUR MUTUAL ADVANTAGE.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 KUALA 02447 03 OF 04 060813Z

12-S

ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 OMB-01 AID-05 EB-07 CU-02 /082 W

----- 034140

R 060600Z MAY 75

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 9782

INFO AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

CINCPAC

AMCONSUL HONG KONG

AMEMBASSY JAKARTA

AMEMBASSY LONDON

AMEMBASSY MANILA

USLO PEKING

AMEMBASSY RANGOON

AMEMBASSY SEOUL

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

AMEMBASSY VIENTIANE

AMEMBASSY WELLINGTON

C O N F I D E N T I A L SECTION 3 OF 4 KUALA LUMPUR 2447

- THERE IS NO NEED TO TRY TO DENY SOUTHEAST ASIA TO CHINA, THE SOVIET UNION, OR NORTH VIETNAM. THE AREA IS TOO LARGE AND DIVERSE, NATIONALISM IS TOO STRONG, AND THE RIVALRY BETWEEN THE PRC AND THE USSR TOO INTENSE TO MAKE SUCH HEGEMONY POSSIBLE. EVEN IF IT WERE POSSIBLE, THE BURDENS AND RESPONSIBILITIES OF HEGEMONY WOULD WEAKEN, NOT STRENGTHEN, THE COUNTRY EXERCISING IT.

17. IN SUMMARY, THE ANSWERS TO THE QUESTIONS POSED ABOVE ARE THAT WE CAN HAVE LITTLE DIRECT INFLUENCE OR CONTROL OVER THE POLITICAL PROCESS IN THE COUNTRIES OF THE AREA; THAT WE HAVE NO COMPELLING REASON TO INTERVENE IN THIS PROCESS;

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUALA 02447 03 OF 04 060813Z

AND FINALLY THAT COMPARED TO OUR TIES AND INTERESTS IN WESTERN EUROPE, JAPAN, AUSTRALIA, AND THE AMERICAS, SOUTHEAST ASIA FIGURES WELL DOWN IN OUR SYSTEM OF PRIORITIES.

18. THIS SAID, THERE IS MORE THAT SHOULD ALSO BE SAID. SOUTHEAST ASIA, WHILE NOT CENTRAL OR VITAL TO OUR NATIONAL INTEREST, IS STILL IMPORTANT. WE WOULD NOT LIKE TO SEE THE REMAINING NON-COMMUNIST NATIONS IN THE AREA COME UNDER THE CONTROL OF COMMUNIST REGIMEDUM AFTER THREE-QUARTERS OF A CENTURY OF AMERICAN INVOLVEMENT, AFTER THE SACRIFICES OF THREE WARS, WE HAVE A HUMAN AND MATERIAL INVESTMENT IN THE PRESENT ORDER AND A REASON TO HELP THE PEOPLES OF SOUTHEAST ASIA STILL ON THE NON-COMMUNIST ROUTE TO NATIONAL DEVELOPMENT TO REMAIN ON IT. THERE IS A SIGNIFICANT DIFFERENCE BETWEEN,- FOR EXAMPLE, LEE KUAN YEW'S AND LE DUC THO'S KIND OF AUTHO-RITARIANISM, AND THE DISTINCTION IS WORTH PRESERVING.

POLICY RECOMMENDATIONS

19. IN THE PAST WE HAVE DEPENDED ON DIRECT EFFORTS THROUGH THE REGIME IN POWER TO ACHIEVE OUR OBJECTIVES, USUALLY BY OFFERING MILITARY AND ECONOMIC ASSISTANCE PROGRAMS. WE SHOULD NOW SEEK TO PUT A DECENT DISTANCE BETWEEN OURSELVES AND THESE REGIMES, AND CONCENTRATE OUR EFFORTS ON REACHING THE PEOPLES OF SOUTHEAST ASIA OVER THE HEADS OF THEIR GOVERNMENTS.

20. OUR MILITARY AND SECURITY POLICY REQUIRES BASIC OVERHAUL.

- THE MUTUAL DEFENSE AGREEMENTS ADDRESS CONTINGENCIES THAT ARE ALMOST CERTAIN NOT TO ARISE, AND LIKE BURIAL INSURANCE, THEY TAKE EFFECT ONLY AFTER THE POLITICAL EQUIVALENT OF DEATH, -- THE OUTBREAK OF WAR.

- MILITARY ASSISTANCE LIKEWISE IS LARGELY STERILE UNTIL INTERNAL DISINTEGRATION HAS REACHED THE STAGE OF VIOLENCE. IN THE MEANTIME IT CREATES SIGNIFICANT RISKS. ARMS AND MATERIEL WE SUPPLY ARE OFTEN USED AGAINST REGIONAL NEIGHBORS OR FORMS OF INTERNAL DISSENT TO WHICH WE ARE NOT OPPOSED. OUR ASSISTANCE LINKS US WITH AN OFTEN OPPRESSIVE REGIME,
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KUALA 02447 03 OF 04 060813Z

ALIENATING THE PEOPLE, AND SOURING OUR RELATIONS WITH THE

SUCCESSOR GOVERNMENT WHEN THE INEVITABLE CHANGE COMES.

- ALL GOVERNMENTS LOOK FIRST TO MAINTAINING THEMSELVES IN POWER. INTERNAL SECURITY AND NATIONAL DEFENSE HAVE FIRST PRIORITY, AND THE MILITARY ESTABLISHMENT STANDS AT THE HEAD OF THE LINE AT THEIR TREASURY WINDOW. WE ARE HELPING THOSE MOST ABLE TO HELP THEMSELVES.

- OUR MILITARY BASES IN THE AREA DO NOT BEAR ON EITHER OUR NEEDS OR THE NEEDS OF THE COUNTRIES OF THE AREA. WE REQUIRE BASES IN THE PHILIPPINES ONLY IF WE INTEND AGAIN TO ATTEMPT TO APPLY SUBSTANTIAL MILITARY POWER IN SOUTHEAST ASIA, AN UNLIKELY POSSIBILITY AND, AS THE ARGUMENTS ADVANCED ABOVE ATTEMPT TO ESTABLISH, NOT IN OUR INTEREST ANYWAY.

- FURTHER, TO MAINTAIN THE BASES WE ARE GOING TO HAVE TO PAY HIGHER DIRECT OR INDIRECT RENT. WE SHOULD NOT HAVE TO PAY FOR THE OBLIGATION TO DEFEND ANOTHER COUNTRY.

- THE BASES HAVE NO APPLICABILITY TO INTERNAL INSURGENCY PROBLEMS, EVEN IF WE WISHED TO GET INVOLVED. WE WOULD BE OFFERING A RIFLE TO A MAN WHOSE HOUSE IS THREATENED NOT BY TIGERS, BUT BY TERMITES.

21. WE SHOULD THEREFORE TAKE THE FOLLOWING STEPS:

- ANNOUNCE THAT IN RESPONSE TO THE PREVAILING SENTIMENT IN THE AREA, WE ARE INVOKING THE TERMINATION CLAUSES OF THE SEATO AND BILATERAL MUTUAL SECURITY AGREEMENTS. ANNOUNCE AT THE SAME TIME THAT WE HAVE A CONTINUING INTEREST IN THE SECURITY OF THE AREA, AND WOULD RESPOND IN ACCORDANCE WITH OUR CONSTITUTIONAL PROCESSES IF THE NATIONS OF THE AREA, ACTING COLLECTIVELY, ASKED US TO RETURN TO ASSIST THEM IN RESISTING AGGRESSION. WE, FOR OUR PART, WOULD REGARD SOUTHEAST ASIA AS A ZONE OF PEACE, FREEDOM, AND NEUTRALITY.

- ENTER NEGOTIATIONS WITH THE PHILIPPINES TO TURN OVER CLARK AND SUBIC IN A WAY THAT WOULD MINIMIZE ECONOMIC DISRUPTION. WE MIGHT AGREE TO MAINTAIN A SMALL MAINTENANCE AND CARETAKER FORCE TO KEEP UP THE BASE FACILITIES ON THE CONFIDENTIAL

CONFIDENTIAL

PAGE 04 KUALA 02447 03 OF 04 060813Z

PREMISE THAT IF WE WERE INVITED TO RETURN, WE WOULD NEED TO USE THEM.

- ANNOUNCE THE TERMINATION OF ALL GRANT MILITARY ASSISTANCE PROGRAMS IN THE AREA AT THE END OF FY 1976. MAINTAIN HOWEVER, NON-CONCESSIONAL MILITARY SALES AND TRAINING PROGRAMS IN U.S. MILITARY SERVICE SCHOOLS.

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 KUALA 02447 04 OF 04 060927Z

12-S

ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-03 H-02

INR-07 L-02 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 OMB-01 AID-05 EB-07 CU-02 /082 W

----- 034722

R 060600Z MAY 75

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 9783

INFO AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

CINCPAC

AMCONSUL HONG KONG

AMEMBASSY JAKARTA

AMEMBASSY LONDON

AMEMBASSY MANILA

USLO PEKING

AMEMBASSY RANGOON

AMEMBASSY SEOUL

AMEMBASSY SINGAPORE

AMEMBASSY TOKYO

AMEMBASSY VIENTIANE

AMEMBASSY WELLINGTON

C O N F I D E N T I A L SECTION 4 OF 4 KUALA LUMPUR 2447

22. AMERICAN PRIVATE INVESTMENT IS BECOMING THE MOST IMPORTANT ELEMENT OF THE AMERICAN PRESENCE IN SOUTHEAST ASIA. IN MALAYSIA AND SINGAPORE THIS IS ALREADY THE CASE. AMERICAN INVESTMENT TOUCHES THE PEOPLE DIRECTLY AND HAS A MAJOR ECONOMIC AND SOCIAL IMPACT ON LOCAL SOCIETIES, SOMETIMES IN UNEXPECTED WAYS. (ELECTRONICS FACTORIES HAVE LOWERED THE BIRTHRATE IN THE AREAS WHERE THEY ARE LOCATED IN MALAYSIA. VILLAGE GIRLS HAVE AN ALTERNATIVE TO EARLY MARRIAGE.)

23. IT HAS BEEN U.S. POLICY TO ENCOURAGE PRIVATE INVESTMENT, AND WE SHOULD CONTINUE TO DO SO VIGOROUSLY. WE SHOULD ALSO DEVELOP MECHANISMS FOR CRITICAL REVIEW AND GUIDANCE OF
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUALA 02447 04 OF 04 060927Z

THIS INVESTMENT. THERE IS SIGNIFICANT EVIDENCE THAT THE IMPACT OF MULTI-NATIONAL CORPORATIONS, SEEKING MAINLY TO MAXIMIZE PROFITS, IS NOT ALWAYS BENIGN. WE MUST ATTEMPT TO GUIDE THE COMPANIES AWAY FROM ACTIONS WHICH INTENSIFY THE CORRUPTING AND POLITICALLY DESTABILIZING EFFECTS OF SOME KINDS OF ECONOMIC DEVELOPMENT.

24. THE MOST IMPORTANT ELEMENT IN OUR NEW APPROACH WOULD BE TO INVEST OUR RESOURCES NOT IN HARDWARE OR INSTITUTIONS, BUT RATHER IN INDIVIDUAL HUMAN BEINGS. THE SINGLE, OVERWHELMING NEED SHARED BY ALL COUNTRIES OF THE AREA IS KNOWLEDGE AND TECHNOLOGY. WE ARE THE WORLD'S GREATEST REPOSITORY OF THESE RESOURCES. TO MEET THIS NEED WE SHOULD START A VASTLY EXPANDED PROGRAM OF EDUCATIONAL EXCHANGE THAT WOULD COMMAND THE SAME LEVEL OF FUNDING THAT WE HAVE IN THE PAST DEVOTED TO AID AND MAP. OUR OBJECTIVE SHOULD BE TO MAKE IT POSSIBLE FOR EVERY QUALIFIED PERSON WHO WISHES TO UNDERTAKE ADVANCED STUDIES IN THE UNITED STATES TO DO SO.

25. SUCH A PROGRAM WOULD APPEAR LIKELY TO HAVE CONSIDERABLE PUBLIC SUPPORT. IT EMPHASIZES INDIVIDUAL HUMAN VALUES. THE FUNDS WOULD BE SPENT ALMOST COMPLETELY IN THE UNITED STATES. UNDERUTILIZED CAPACITY IN OUR UNIVERSITIES COULD BE PUT TO GOOD USE. IN THE COUNTRIES OF SOUTHEAST ASIA WE WOULD BE DIRECTLY INFLUENCING THE POLITICAL, ECONOMIC, SOCIAL, AND CULTURAL LIFE WITHOUT THE POLITICAL RISKS OF FORMAL TIES OR THE IRRITATIONS OF AN AMERICAN PRESENCE. THE UNITED STATES INDOCTRINATES AND INFLUENCES BEST WHEN IT IS NOT CONSCIOUSLY TRYING.

26. SENATOR FULBRIGHT IN HIS FAREWELL ADDRESS TO THE SENATE LAMENTED THE MEAGER RESOURCES DEVOTED TO EDUCATIONAL EXCHANGE. THE PRESIDENT MIGHT INVITE THE MAN WHOSE NAME HAS BEEN ASSOCIATED WITH THIS IDEA FOR MORE THAN A QUARTER CENTURY TO HEAD-UP AN AGENCY WITH FUNDS THAT WOULD NOW MEET HIS VISION OF THE JOB TO BE DONE.

27. GENERAL CONGRESSIONAL SUPPORT COULD BE ENCOURAGED BY ESTABLISHING IN EDUCATIONAL INSTITUTIONS THROUGHOUT THE COUNTRY SPECIAL INSTITUTES OF TROPICAL AGRICULTURE, TROPICAL MEDICINE, BUSINESS MANAGEMENT, PUBLIC ADMINISTRATION, CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KUALA 02447 04 OF 04 060927Z

LABOR ORGANIZATION, SOCIAL SERVICES, AND PUBLIC HEALTH TO TRAIN THE FOREIGN STUDENTS.

28. SUCH A PROGRAM OF DIRECT, HUMAN INTERACTION WOULD BE
A LIVING COMMITMENT, REACHING OVER AND BEYOND THE REGIME IN
POWER, ESTABLISHING A MASSIVE HUMAN BOND BETWEEN THE PEOPLE
OF SOUTHEAST ASIA AND THE PEOPLE OF THE UNITED STATES.
UNDERHILL

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FOREIGN POLICY POSITION
Control Number: n/a
Copy: SINGLE
Draft Date: 06 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: ShawDG
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975KUALA02447
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750158-0096
From: KUALA LUMPUR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750578/aaaacthj.tel
Line Count: 607
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 12
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ShawDG
Review Comment: n/a
Review Content Flags:
Review Date: 25 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <25 JUN 2003 by CunninFX>; APPROVED <04 NOV 2003 by ShawDG>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: U.S. POLICY TOWARD SOUTHEAST ASIA: HOW WE STAND AND HOW WE SHOULD GO
TAGS: PFOR, ID
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006